

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION
UNITED STATES DEPARTMENT OF THE TREASURY

In the Matter of
William Selsberg
A Former Officer and
Director of Charter
Federal Savings
and Loan Association
Stamford, Connecticut

Re: Resolution No. NE92-71
OTS No. NE95-3
Date: March 8, 1995

MODIFICATION OF ORDER TO CEASE AND DESIST AND
ORDER OF PROHIBITION AND ORDER OF DEBARMENT

WHEREAS, William Selsberg executed a Stipulation and Consent to Issuance of Order to Cease and Desist and Order of Prohibition and Order of Debarment ("Consent"), which was accepted and approved by the Office of Thrift Supervision ("OTS"); and

WHEREAS, in accordance with the Consent, the Regional Director, Northeast Region, OTS, pursuant to delegated authority, issued to William Selsberg an Order to Cease and Desist and Order of Prohibition and Order of Debarment ("Order"), dated July 16, 1992; and

WHEREAS, the Order required that William Selsberg pay restitution in a principal amount of \$95,000 in installments over a period of years; and

WHEREAS, William Selsberg has proposed that the OTS accept \$40,000 in satisfaction of his obligation for restitution under the Order, of which he has paid \$5,000; and

WHEREAS, the Regional Director of the OTS has determined that the OTS will accept a total principal payment of \$40,000 in satisfaction of Selsberg's obligation for restitution under the Order;


NOW, THEREFORE, IT IS ORDERED that:

1. William Selsberg may satisfy his obligation for restitution, as provided by the Order, by paying a total principal amount of \$40,000 to the OTS, and any interest required by the Order, no later than April 1, 1995.

2. Upon receipt of funds in satisfaction of his obligation for restitution pursuant to the Order, as modified, the OTS shall execute a release of any note or collateral given by William Selsberg to secure payment of his restitution obligation under the Order.

THE OFFICE OF THRIFT SUPERVISION

By:


ANGELO A. VISNA
Regional Director
Northeast Region
Office of Thrift Supervision
Pursuant to Delegated Authority

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DEPARTMENT OF THE TREASURY

In the Matter of)

William Selsberg)

A Former Officer and)
Director of Charter)
Federal Savings)
and Loan Association)
Stamford, Connecticut)

Re: Resolution No. NE92-71
Dated: July 16, 1992

ORDER TO CEASE AND DESIST AND
ORDER OF PROHIBITION AND ORDER OF DEBARMENT

WHEREAS, William Selsberg ("RESPONDENT") has executed a Stipulation and Consent to Issuance of Order to Cease and Desist and Order of Prohibition ("STIPULATION and CONSENT"), which is accepted and approved by the Office of Thrift Supervision ("OTS"), acting by and through its Director, Timothy Ryan; and

WHEREAS, RESPONDENT, in the STIPULATION AND CONSENT, has agreed and consented to the issuance of this Order to Cease and Desist and Order of Prohibition pursuant to Sections 8(b) and 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. §§ 1818(b) and (e) (Supp. I 1989);

WHEREAS, the OTS, based upon information reported to it, is of the opinion that grounds exist to initiate and maintain against RESPONDENT a Notice of Charges and Hearing to Direct Restitution and Other Appropriate Relief and Notice of Intention to Prohibit RESPONDENT from participating in the conduct of the affairs of federally insured depository institutions:

WHEREAS, RESPONDENT neither admits nor denies the assertions of fact or allegations of breaches of fiduciary duties, conflicts of interest, unsafe and unsound practices and unjust enrichment and violations of law, rules and regulations set forth in the STIPULATION and CONSENT as such pertain and apply to RESPONDENT;

NOW, THEREFORE, IT IS ORDERED that:

1. The STIPULATION and CONSENT, attached hereto, is made a part hereof and is incorporated herein by reference.

2. RESPONDENT shall cease and desist from:

a. Committing, or aiding and abetting the commitment of, the violations of law, regulations and rules alleged against RESPONDENT in the STIPULATION and CONSENT; and

b. Committing, or aiding and abetting the commitment of, the unsafe and unsound practices alleged against RESPONDENT in the STIPULATION and CONSENT.

3. Based upon his sworn statement of financial condition and other relevant factors, including his willingness to cooperate with OTS, RESPONDENT shall reimburse against loss in the total amount of \$95,000. The terms of payment shall be as follows:

a. RESPONDENT shall remit \$5,000 in the form of a cashier's check payable to the order of the Office of Thrift Supervision by no later than July 1, 1992. RESPONDENT's check shall be sent to the address set forth in paragraph 6 below.

b. RESPONDENT shall pay interest only on the balance (\$90,000) of his indebtedness to the Office of Thrift Supervision commencing with the first day of the second year following the date

this ORDER becomes final. The interest shall be simple interest at the rate of the Wall Street Journal Prime, as in effect from time to time, but in no event to exceed nine (9) percent. RESPONDENT shall remit his interest payments in the form of cashier's checks on the second and third anniversaries following the date this ORDER becomes final. RESPONDENT's checks shall be sent to the address set forth in paragraph 6 below.

c. RESPONDENT shall execute and deliver to the Office of Thrift Supervision, at the address set forth in paragraph 6 below, no later than June 1, 1992, a promissory note, in form and content acceptable to the Director of OTS, that evidences RESPONDENT's indebtedness to OTS and the terms of repayment of the indebtedness, as described in this paragraph. The note shall be secured by a mortgage on RESPONDENT's fifty (50%) percent partnership interest in Unit 9J, Hayes House Condominium, Stamford, Connecticut. The mortgage shall provide that RESPONDENT shall not, individually or as a partner in the partnership, voluntarily encumber or agree to encumber directly or indirectly the property without the consent of the OTS. In addition, RESPONDENT shall cause the owner of property commonly known as Lot 120, Redbrook Road, Bondville, Vermont (the "Vermont Property"), to grant a mortgage to secure payment of the note in an amount not to exceed \$65,000. The mortgage shall provide that in the event of default by RESPONDENT under the note, which is not cured within any applicable grace period, the holder of the note shall seek recovery of the unpaid balance of the note, first, in an action against

RESPONDENT and RESPONDENT's interest in Unit 9J, Hayes House Condominium, Stamford, Connecticut. If, after application of the proceeds from such action there is a deficiency, then the holder may recover the remaining sum due and owing, if any, but not to exceed \$65,000, in an action to foreclose the mortgage given on the Vermont Property. Further, for each payment of principal under the note the maximum amount which may be recovered from the so-called Vermont property shall be simultaneously reduced, and upon the unpaid principal balance of the note being reduced to \$25,000, the mortgage on the Vermont property will be released.

d. RESPONDENT shall remit installment payments on the principal balance of his indebtedness to the Office of Thrift Supervision in the amounts of \$20,000 plus interest at the rate set forth in subparagraph 3b above, in the form of cashier's checks, on the fourth, fifth and sixth anniversaries following the date this ORDER becomes final, and \$30,000 plus interest at the rate set forth in subparagraph 3b above, in the form of a cashier's check, on the seventh anniversary following the date this ORDER becomes final. RESPONDENT's checks shall be sent to the address set forth in paragraph 6 below.

e. The promissory note shall provide that RESPONDENT may prepay the balance on the promissory note or any portion thereof at anytime, without cost or penalty.

f. Upon payment of the sum of \$5,000 and delivery of the promissory note to the OTS, the promissory note shall be

incorporated herein by reference and the promissory note shall be enforceable as part of this ORDER pursuant to the provisions of section (i) of the FDIA, 12 U.S.C. § 1818(i).

4. RESPONDENT shall not hold any office in or participate in any manner in the conduct of the affairs of institution(s) or other entity(ies) as set forth in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. § 1818(e)(7)(A) (Supp. I 1989), without the prior written approval of the Director of OTS, or his designee, and, if appropriate, the approval of other Federal financial institutions regulatory agency(ies). Pursuant to Section 8(e)(6) of the FDIA, 12 U.S.C. § 1818(e)(6) (Supp. I 1989), conduct prohibited by this ORDER includes, inter alia, the solicitation, transfer, or exercise of any voting rights with respect to any securities issued by any insured depository institution or voting for a director of an insured depository institution or acting as an institution-affiliated party. Moreover, RESPONDENT is prohibited from practice before OTS, and shall not directly or indirectly engage in activities defined in 12 C.F.R. § 513.2(e), unless and until such time RESPONDENT has been reinstated by further order of the OTS.

5. In any bankruptcy proceeding in which RESPONDENT's obligation to make the payment of reimbursement against loss provided for in paragraph 3 of this ORDER is subject to discharge, RESPONDENT will in no manner contest OTS's assertions that the obligation is for, and this ORDER arises out of, acts that result

in claims not dischargeable in bankruptcy in any circumstances, pursuant to any of the provisions of the United States Bankruptcy Code. The intent of this paragraph is to preclude RESPONDENT from discharging the payment of reimbursement pursuant to this STIPULATION and CONSENT and the ORDER, and is not to be deemed a consent by RESPONDENT to the dischargeability of any other obligation of RESPONDENT.

6. All payments by RESPONDENT provided for in paragraph 3 of this ORDER shall be delivered to:

Senior Deputy Chief Counsel for Enforcement and
Litigation c/o Kenneth Cureton
Washington Enforcement
Office of Thrift Supervision
U.S. Treasury Department
1700 G Street, N.W.
Washington, D.C. 20552

or as otherwise directed by OTS or its successor in interest.

7. The STIPULATION and CONSENT, this ORDER, the payments contemplated as part of this ORDER, and the forbearance of OTS to initiate and maintain administrative proceedings against RESPONDENT settle only potential charges that OTS could bring against RESPONDENT based upon and arising from those transactions described in paragraphs 1-3 of the STIPULATION and CONSENT, as they pertain to RESPONDENT.

8. The STIPULATION and CONSENT, this ORDER, and RESPONDENT's compliance with this ORDER do not compromise, settle, dismiss, resolve, or in any way affect:

a. any charges or potential actions based upon or arising from the transactions described in paragraphs 1-3 of the STIPULATION and CONSENT or any other transactions as they might pertain to any entity or person other than RESPONDENT, against whom OTS expressly reserves its rights to initiate and maintain administrative proceedings;

b. any other claims, actions, or charges not based upon or arising from those transactions described in paragraphs 1-3 of the STIPULATION and CONSENT that may be brought by OTS against RESPONDENT.

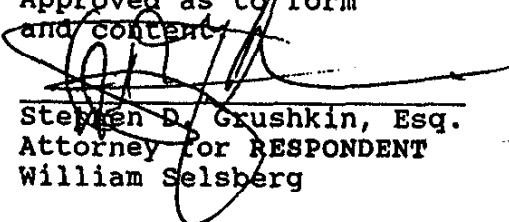
c. any civil or criminal claims, actions, or charges against or liability of RESPONDENT or any other individual or entity asserted by any governmental entity other than OTS;

d. any claims or actions that may be brought against RESPONDENT by any individual or entity other than OTS, or any claims or actions that may be brought against RESPONDENT by an individual or entity named as a party, respondent, or defendant in an action brought by any governmental entity.

9. This ORDER is subject to the provisions of Section 8(j) of the FDIA, 12 U.S.C. § 1818(j) (Supp. I. 1989).

10. This ORDER shall become effective on the date it is issued.


Approved as to form
and content



Stephen D. Grushkin, Esq.
Attorney for RESPONDENT
William Selsberg

THE OFFICE OF THRIFT SUPERVISION

BY:



ANGELO A. VIGNA
Regional Director
Northeast Region
OFFICE OF THRIFT SUPERVISION
Pursuant to Delegated Authority